NACDS NATIONAL ASSOCIATION OF CHAIN DRUG STORES

Submitted via email to chronic_care@finance.senate.gov

January 28, 2016

The Honorable Orrin Hatch
Chairman
Committee on Finance
United States Senate
Washington, DC 20510-6200

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510-6200

The Honorable Johnny Isakson
Committee on Finance
United States Senate
Washington, DC 20510-6200

The Honorable Mark Warner
Committee on Finance
United States Senate
Washington, DC 20510-6200

Dear Chairman Hatch, Ranking Member Wyden, Senator Isakson, and Senator Warner:

The National Association of Chain Drug Stores (NACDS) appreciates the hard work of Chairman Hatch, Ranking Member Wyden, and the members of the Committee on Finance Chronic Care Working Group (CCWG) in finding solutions to improve care for the millions of Americans managing chronic illness, including the recent release of the CCWG's Policy Options Document. We thank the CCWG for the opportunity to submit the following comments and recommendations in response to that document. NACDS and the chain pharmacy industry continue to be committed to partnering with Congress, HHS, patients, and other healthcare providers to improve the quality and affordability of healthcare services.

NACDS represents traditional drug stores and supermarkets and mass merchants with pharmacies. Chains operate more than 40,000 pharmacies, and NACDS' chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ more than 3.2 million individuals, including 179,000 pharmacists. They fill over 2.9 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 850 supplier partners and over 60 international members representing 22 countries. For more information, visit www.NACDS.org.

As the face of neighborhood healthcare, community pharmacies and pharmacists provide access to prescription medications and over-the-counter products, as well as cost-effective health services such as immunizations and disease screenings. Access to these types of services is especially vital for Medicare beneficiaries as nearly two-thirds are suffering from multiple chronic conditions. Through personal interactions with patients, face-to-face consultations, and convenient access to preventive care services, local pharmacists are helping to shape the healthcare delivery system of tomorrow—in partnership with doctors,

nurses, and others. We offer the following comments on services targeting beneficiaries in transitions of care, medication synchronization, and expanded access to prediabetes education, as well as additional ideas we encourage the CCWG to consider, including activities related to "provider status" for pharmacists, medication therapy management (MTM), and increased access to innovative telehealth services.

Pharmacists as Providers

Retail community pharmacists provide high quality, cost efficient care and services, especially for patients with chronic conditions. However, the lack of pharmacist recognition as a provider by third-party payors including Medicare and Medicaid has limited the number and types of services pharmacists can provide, even though fully qualified to do so.

The national physician shortage coupled with the expansion of health insurance coverage will have serious implications for the nation's healthcare system. Access, quality, cost, and efficiency in healthcare are all critical factors – especially to the medically underserved. Utilizing pharmacists can help ensure access to requisite healthcare services for those with chronic conditions. Pharmacists stand ready to help fill these gaps and engage with other professionals in the delivery of services, including filling key roles in new models of care based on quality of services and outcomes, such as accountable care organizations (ACOs).

Pharmacists are capable of providing many cost-saving services that assist patients that suffer from chronic illnesses (subject to state scope of practice laws). Examples include access to health tests, helping to manage chronic conditions such as diabetes and heart disease, plus expanded immunization services. Retail pharmacies are often the most readily accessible healthcare provider. Nearly all Americans (94%) live within five miles of a community retail pharmacy. Recognition of pharmacists as providers under Medicare Part B would help to increase access to existing Medicare services to millions of Americans and, most importantly, to those who are already medically underserved and have chronic conditions.

NACDS urges the adoption of policies and legislation that increase access to much-needed services for underserved Americans, such as S. 314, the *Pharmacy and Medically Underserved Areas Enhancement Act.* This important legislation would allow Medicare Part B to utilize pharmacists to their full capability by providing those underserved beneficiaries with services not currently reaching them (subject to state scope of practice laws). We believe that this would lead not only to reduced overall healthcare costs, but also to increased access to healthcare services and improved healthcare quality for underserved patients, especially for those with chronic conditions.

The Benefits of a Team-Based Approach to the Treatment of Chronic Illness

Medications are the primary intervention to treat chronic disease, and are involved in 80% of all treatment regimens.[1] Medicare beneficiaries with multiple chronic illnesses see an average of 13 different physicians, have 50 different prescriptions filled per year, account for 76% of all hospital admissions, and are 100 times more likely to have a preventable hospitalization.[2]

[1] http://www.pcpcc.org/sites/default/files/media/medmanagement.pdf
[2] Ibid

Yet, medication management services are poorly integrated into existing healthcare systems. Poor medication adherence alone costs the nation approximately $290 billion annually – 13% of total healthcare expenditures – and results in avoidable and costly health complications.[3] Thus, given the importance of medications in achieving patient care outcomes and lowering overall healthcare costs, it is critical that policies are implemented to encourage greater care integration across the healthcare continuum and promote financial accountability for safe and appropriate medication use.

A growing body of evidence suggests that when physicians, nurses, pharmacists, and other healthcare professionals work collaboratively, better health outcomes are achieved. The growth and adoption of health information technology such as telehealth and electronic medical records will foster even greater opportunities for team-based care. Pharmacies in particular provide access to highly-trained and highly-trusted health professionals. The unique reach and access points of pharmacy provide a means of continuous care and oversight between scheduled visits. As such, community pharmacies have increasingly provided a suite of medication management and related services, including MTM, disease-state monitoring and patient self-management, adherence interventions, medication synchronization, transitions of care, immunization programs, chronic care and wellness programs, and patient engagement, among others.

Recent systematic reviews have highlighted the beneficial role of these pharmacy-based services in team-based care.[4] Yet, experts have noted the lack of integration, to date, of community pharmacy services into emerging models of care such as ACOs.[5] Smith and colleagues noted:

> *Pharmacists can help meet the demand for some aspects of primary care and can contribute to the efficient and effective delivery of care. Thus, they should be included among the health professionals who are called on to mitigate the projected primary care provider shortage.*[7]

Further, the National Committee for Quality Assurance (NCQA) – the organization that accredits medical homes and ACOs – stated that:

> *Medications are involved in 80 percent of all treatments, yet lack of coordination across providers leads to poor outcomes. Improving medication management can be a critical element of both PCMHs and ACOs.*

Thus, medication related services provided by community pharmacists improve patient care, enhance communication between providers and patients, improve collaboration among providers, optimize medication use for improved patient outcomes, contribute to medication error prevention, improve hospital and readmission cost avoidance figures, and enable patients to be more actively involved in medication self-management.

[3] http://www.dmhc.ca.gov/library/reports/news/rci/totpb.pdf
[4] http://www.accp.com/docs/positions/misc/improving_patient_and_health_system_outcomes.pdf
[5] http://content.healthaffairs.org/content/32/11/1963.full

The Part D Medication Therapy Management Program

Despite the proven value of medication adherence and MTM, the Medicare Part D MTM Program historically has seen low enrollment and utilization rates. Over the years, CMS has made programmatic changes they believed would increase eligibility and enrollment, however, these changes have not led to increased MTM eligibility and utilization. In 2012, there were approximately 27.2 million people enrolled in either a MA-PD (9.9 million) or a PDP (17.3 million). Of the more than 27 million beneficiaries, only 3.1 million were enrolled in an MTM program (11.4%). These figures fall well short of the CMS estimate that approximately 25% of the beneficiaries would be eligible for MTM.

NACDS has long been supportive of exploring new and innovative approaches to improve the Part D MTM program. One of the approaches we believe can be successful is the Center for Medicare and Medicaid Innovation's (CMMI) Enhanced MTM Model pilot allowing Part D plans the opportunity to utilize new and innovative approaches to MTM, such as more efficient outreach and targeting strategies and tailoring the level of services to the beneficiary's needs. NACDS believes the Enhanced MTM Pilot program presents an opportunity to create better alignment of program incentives and has the potential to lead to improved access to MTM services for beneficiaries and greater medication adherence.

To ensure the success of the Enhanced MTM model, NACDS believes retail pharmacists must be included in the Enhanced Model Pilot programs. Medication management services provided by community pharmacists improve patient care, enhance communication between providers and patients, improve collaboration among providers, optimize medication use for improved patient outcomes, contribute to medication error prevention, improve hospital and readmission cost avoidance, and enable patients to be more actively involved in medication self-management. We seek CCWG support for retail pharmacist inclusion in the Pilot program.

Since the Pilot is scheduled to last for five years beginning in 2017, we urge lawmakers to explore new and innovative approaches to improving the MTM program that could be implemented in the short term. For example, we believe statutory changes should be made to revise the eligibility requirements so that beneficiaries with certain single chronic conditions will be eligible for MTM. MTM has been more effective for certain chronic conditions, including diabetes, cardiovascular disease, COPD, and high cholesterol, and legislation should focus on these chronic conditions. Currently, plans are allowed to set their minimum number of chronic conditions required for eligibility at either two or three. According to the CMS MTM Fact Sheet, approximately 85% of programs opted to target beneficiaries with at least three chronic diseases in 2014. This is a contributing factor to the lower than projected eligibility levels in the MTM program.

An abundance of literature shows that MTM improves medication adherence and leads to better use of medicines.[6] Services that improve medication adherence ultimately result in improved

[6] Findings showing the value of MTM and medication adherence for these conditions include:

- *Centers for Medicare and Medicaid Services (CMS), Medication Therapy Management in Chronically Ill Populations: Final Report, August 2013* (http://innovation.cms.gov/Files/reports/MTM_Final_Report.pdf).

health outcomes and reduced healthcare costs. Congress recognized the importance of MTM on a bipartisan basis, including it as a required offering in the Medicare Part D program. We ask the CCWG to build on this earlier action and strengthen the MTM benefit in Medicare Part D through support of legislation introduced by Sen. Pat Roberts (R-KS) and Sen. Jeanne Shaheen (D-NH), S. 776, the *Medication Therapy Management Empowerment Act of 2015,* which will provide access to MTM for beneficiaries with diabetes, cardiovascular disease, COPD, and high cholesterol.

Targeting Beneficiaries in Transition of Care

According to some estimates, hospital readmissions cost the healthcare system between $15-25 billion annually. Estimates also show that nearly one in five Medicare beneficiaries discharged from the hospital is readmitted within 30 days.[7] Hospital readmissions related to medication non-adherence has been estimated to account for nearly two-thirds of all readmissions.[8]

CMS has identified hospital readmissions as one of the main problems in the healthcare system and has taken steps to help reduce readmissions, such as launching the Hospital Readmissions Reductions Program (enacted by the Affordable Care Act). Making MTM services accessible to beneficiaries undergoing a transition of care will help reduce readmissions, specifically those related to medication non-adherence.

One example of successful MTM program aimed at reducing readmissions was the Capital District's Physician Health Plan's MTM program designed to reach doctors and patients with chronic illnesses in patient-centered medical homes (PCMHs) and in patients' "pharmacy homes," where they fill prescriptions most often.

- The overall hospital admission rate for Medicare Advantage Part D members enrolled in the MTM program was 19 percent lower than for those who did not participate.

- The hospital readmission rate among Medicare Advantage Part D members enrolled in the MTM program was 27 percent lower than among those who did not participate (11.9 percent compared with 16.3 percent).

- CareSource, one of the country's largest Medicaid managed healthcare plans, contracted with OutcomesMTM™ to implement and oversee a comprehensive MTM offering for Ohio Medicaid eligibles, beginning in mid-2012.
- The North Carolina ChecKmeds MTM program generated savings of approximately $66.7 million in overall health care costs for the state which included $35.1 million from avoided hospitalizations and $8.1 million in drug product cost savings
- The Iowa MTM pilot program that utilizes pharmacists to help patients manage their medications and improve patient adherence through education and continued monitoring.
- *MedPAC Report to the Congress, June 2014* (http://www.medpac.gov/documents/reports/jun14_entirereport.pdf
- *Health Affairs: Medication Adherence Leads to Lower Health Care Use and Costs Despite Increased Drug Spending* (http://content.healthaffairs.org/content/30/1/91.full.pdf

[7] http://www.hcup-us.ahrq.gov/reports/statbriefs/sb172-Conditions-Readmissions-Payer.pdf

[8] http://www.nehi.net/writable/publication_files/file/nehi_improved_medication_adherence_and_hospital_readmissions_issue_brief.pdf

A Medicare Advantage plan found that pharmacists' involvement in an interdisciplinary home-based transition of care program provided patients with medication and care-management interventions that reduced 30-day readmission rates, demonstrated by up to 30% reductions in network readmission rates.

The CCWG should consider making medication adherence a focus of transitional care programs. Patients are vulnerable when transitioning from one care setting to another, particularly when transitioning from a hospital setting back into the community. Providing medication management services to these high-risk patients helps reduce the chances of complications due to improper use of medications, or issues that can arise when multiple providers prescribe medications. Such services can reduce high cost hospital readmissions that often result from medication non-adherence.

Expanding Access to Prediabetes Education

NACDS appreciates the CCWG's recognition of the growing prevalence of diabetes in our country and the harmful, long term impacts it can have on a person's health and welfare. The retail pharmacy community has long advocated for improved diabetes education and training, including the need for proper adherence to medications to treat diabetes. Retail pharmacies are providing diabetes self-management training (DSMT) services to Medicare beneficiaries, including, as noted in the Policy Options Document, instruction on how to self-monitor blood glucose levels, education of proper diet and exercise habits, creating a patient-specific insulin treatment plan, medication adherence, and motivating the patient to follow through on these activities to manage their diabetic needs.

NACDS believes it makes sense to extend these types of services to Medicare beneficiaries who have been identified as at risk of developing diabetes as well as other evidence-based lifestyle interventions. Prevention of diabetes will not only improve the lives of those beneficiaries, but will also reduce future, more costly medical care and interventions.

Community pharmacists are highly capable of providing services to beneficiaries with prediabetes. As discussed throughout this document, retail community pharmacists provide high quality, cost efficient care and services beyond traditional pill dispensing, especially for patients with chronic conditions. This includes DSMT services. However, the lack of pharmacist recognition as a provider in the Medicare statute limits the number and types of services pharmacists can provide, even though fully qualified to do so. We urge the CCWG to include pharmacists in the list of providers able to deliver prediabetes education services.

Study on Medication Synchronization

NACDS applauds the CCWG for the inclusion of a study on medication synchronization. NACDS believes medication synchronization is one of many innovative approaches to improving medication adherence and patient experience with healthcare delivery. Today, many retail pharmacies are developing and implementing medication synchronization programs that go beyond simply ensuring a patient coordinates all of his or her prescriptions for pick up on the same day.

A study by Virginia Commonwealth University reviewed a medication synchronization program at a regional pharmacy chain. The report found that, in comparison to control subjects, patients in the medication synchronization program experienced stronger communication with the complete healthcare team, had 2.8 more refills per year resulting in 84 more days of medication, and had 3.4 to 6.1 times greater odds of adherence. Those not enrolled in the medication synchronization program had a 52% to 73% greater likelihood of discontinuing their medication therapy.

In another study, researchers at Harvard Medical School found that when medications were not synchronized, patients had adherence rates that were 8.4% lower than patients for which medications were synchronized. Similarly, in a study at George Washington University, medical researchers identified medication synchronization as an important component of improving adherence, noting: "[t]he Medicaid population would benefit from a policy that allowed for flexibility in medication supplies to improve refill consolidation [synchronization]. This would allow a physician or pharmacist to consider appropriate adjustments and improve adherence in this population."

NACDS supports a study on medication synchronization and is pleased that the CCWG has proposed to incorporate best practices into its study on medication synchronization.

Telehealth Services

NACDS supports policies that encourage lower-cost, higher-quality health care options, such as the use and reimbursement of telehealth services. Given the bi-partisan nature of telehealth and its transformative potential for healthcare, we urge the CCWG to examine policy options that would increase access to the innovative services offered by retail pharmacies.

As technology has advanced, more healthcare providers and patients have turned to telehealth to provide and receive medical care. Pharmacists are in a unique position to utilize telehealth services to improve access and quality of patient care. Services such as MTM, patient counseling, prior authorizations and refill authorizations, as well as the actual checking and dispensing of prescription medications, can all be done remotely by a pharmacist. These services can be more convenient for patients, especially in areas where medical care and pharmacy access are limited.

There are many scenarios in which connecting pharmacists and patients is beneficial to patient care. Telehealth allows for simple monitoring of high-risk patients or those with complicated medication regimens, such as elderly patients with multiple chronic diseases. Observing how a patient looks, acts, and interacts via high-definition video can serve as a good indicator of whether the medication is effective and a way to identify early signs of subtle side effects or the need for medical follow-up or in-person assistance.[9] A 2013 study published in the *Journal of the American Medical Association (JAMA)* captured the impact of remotely treating patients with uncontrolled hypertension by connecting a home blood pressure monitoring device to the cloud. Real-time data were transmitted to a pharmacist remotely, who would provide feedback to patients based on their blood pressure readings. The study concluded that home blood pressure

[9] *The Potential for Telehealth Within the Pharmacy Space.* The Pharmacy Times, August 20, 2015.

telemonitoring and pharmacist case management achieved better blood pressure control compared with usual care during 12 months of intervention that persisted during six months of post-intervention follow-up.[10] A further usage of telehealth in this case would be if an issue arises during the monitoring, the pharmacist could alert the patient's physician and a proper course of action (e.g., changes to medication dosage) could be discussed and implemented.

Additionally, there is great potential for customer-initiated consultations. Patients may video conference with a pharmacist from the comfort of home to discuss any questions they may have.[11] Furthermore, some retail pharmacies have already begun establishing urgent care services within their stores but these services may be limited due to staffing deficiencies and cost to the patients. We believe telehealth kiosks are a potential solution. In-store kiosks can offer affordable urgent care services in the pharmacy and allow the patient to pick up any related prescriptions in one visit.[12]

NACDS strongly supports efforts to establish and further telehealth services. We believe that in the long term, telehealth will reduce overall health costs and provide greater access to care. NACDS urges the incorporation of pharmacists and pharmacies into patient care via telehealth and supports policies that do so. Including pharmacists and pharmacies in the telehealth will provide patients with more comprehensive care for their needs.

Conclusion

NACDS thanks the CCWG for consideration of our comments. We look forward to working with policymakers and stakeholders on looking to find ways to improve care for Medicare patients with chronic conditions.

Sincerely,

Tom O'Donnell
Vice President, Federal Government Affairs
National Association of Chain Drug Stores

[10] *Effect of Home Blood Pressure Telemonitoring and Pharmacist Management on Blood Pressure Control,* JAMA. 2013;310(1):46–56.
[11] *The Potential for Telehealth Within the Pharmacy Space.* The Pharmacy Times, August 20, 2015.
[12] *Id.*